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MEMORANDUM FOR: [REDACTED] P&PS/OL

VIA : C/P&PS/OL

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FROM : [REDACTED]
Acting Chief, Printing & Photography Division, OL

SUBJECT : Cost Savings and Efficiency Measures -
Dollar Figures

REFERENCE : Memo for C/P&PD/OL, dated 15 June 1981;
From: AC/P&PD/OL

1. The purpose of this memorandum is to provide requested dollar saving figures from the beginning of FY-79 to the present relative to the cost saving and efficiency measures contained in the referent. Additional information regarding P&PD's planned initiatives is also included.

2. Accomplished Dollar Savings:

A. Printing Plant Consolidation - \$532,000 has been saved since plant consolidation. Of this figure \$392,000 results from manpower savings, \$100,000 from equipment cost savings, and \$40,000 was saved as a result of the turnin of 2400 square feet of space.

①

\$ 532,000

B. Acquisition of Web Press - \$86,500 has been saved since the installation of the web press. This is a combined labor and materials savings figure.

②

\$ 86,500

C. Muller-Martini Saddle Gatherer - A labor savings worth \$10,125 has resulted from the installation of this machine in February of 1980.

\$ 10,125

D. ETECS Full Page Composition - The full page composition of selected NFAC publications has allowed a \$14,000 savings in manpower cost thus far.

\$ 14,000

E. Bisynchronous Communications Data Link - No savings thus far.

F. Camex ProFormer - Recently installed, no savings thus far.

G. Management Information System - Undetermined.

H. Press Comments Format Change - This change in format has resulted in \$13,000 in manpower savings, and \$6,000 in materials savings.

\$ 19,000

I. Videotape Replication - Recently initiated, no savings thus far.

J. DDO Technical Manual Duplication - \$5,400,000 has been saved by converting from a photographic to a xerographic production process. This figure represents labor and material savings.

\$ 5,400,000

3. Total savings from FY-1979 to the present are \$6,061,625.

4. Projected Dollar Savings (FY-1982):

A. P&PD Reorganization - A reduction of three positions will permit a first year saving of \$84,000.

B. Reduction in Maintenance Cost - Providing expanded in-house maintenance will result in a \$14,500 savings.

C. Census Built Camera - Undetermined

D. Motion Picture Film Processor - It is expected that an \$18,000 savings will result from this procurement.

E. Laser Platemaker - The utilization of a laser platemaker will effect an \$80,000 materials cost avoidance, and a savings of \$56,000 in manpower for a total savings of \$136,000.

F. 50-Inch, Single-Color Press - \$28,000 in manpower will be saved through the use of this press.

G. 40-Inch, Four-Color Press - \$28,000 in manpower will be saved through the use of this press.

H. Full Page Composition of NFAC Publications - Fully composing all of NFAC publications will net a \$56,000 manpower savings.

I. Mini-Edit - A \$14,000 manpower saving will result from the use of this system.

J. Xerox 5700 - Savings undetermined.

K. Project MIDAS - Savings undetermined.

L. Cable Generation Via ETECS - Cable generation via ETECS will save \$28,000 in manpower.

M. Remote Electronic Printing - Savings undetermined.

N. Consolidated Copier Management - It is expected that \$50,000 in machine rental and maintenance cost will be avoided in the first year as a result of copier management consolidation.

5. Total projected savings for FY-1982 are \$456,500.

6. If you~~y~~ require additional information regarding ~~the~~ *the* memorandum please contact on extension

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Suggestions for More Streamlined/Cost Effective Operation

Action Plans

1. Close the DCI Garage

- Discussions at the ^{Wed. March 18 (1530)} ~~next~~ Space Steering Committee meeting on recommended uses of the facility

2. Capital Expenditures for Printing Plant Automation

In Enhanced iKq FY83 Program.

3. Consolidation of Multiple Office Equipment Procurement Requirements Through Equipment Standardization

- Procurement is continuing with a program to reduce service contracts. They are also developing an equipment standardization plan for copiers and word processors. Implementation of the equipment standardization plan will require approval of the Directorates and the Comptroller to either centralize applicable budget amounts or provide for their reprogramming to OI. The plan will also require consolidated copier management authority in P&PD and consolidated word processing management authority in ODP.

4. Copier Management Consolidation

- Presidential Intern is STAT
in the process of completing his study.

Action Plan For Micrographics Consolidation

1. DDA should discuss the proposal with the other deputy directors.
2. If it is agreed the proposal has merit, a task force should be established with representatives from each component and someone from the IG or Comptroller staffs serving as chairman.
3. The task force should study the following areas of micrographics production and management as it exists today.
 - a. Personnel Resources
 - b. Equipment Requirements
 - c. Floor Space Requirements
 - d. Supply requirements
 - e. Job production requirements
4. After the information cited above has been gathered, the task group should determine the amount of resources necessary to operate a consolidated facility that would meet the agency micrographics production requirements.
5. Compare the resources necessary in a centralized facility versus the existing decentralized facilities and determine the cost/benefit savings, if any, in consolidation.
6. Make recommendations back to the DDA or FICM.

Reduce Printing Cost Through More Efficient Production of Publications

Background:

We recommend the establishment of a Publication Review Panel to ensure that effective methods, where appropriate, are used and economy in printing is maintained. In general, the effect of the proposal is to reduce the number of colors on certain publications, to reduce cost of material by eliminating prestige papers and cover stocks, and to modify or combine pages to reduce the number of printing plates required in publications.

Pros:

- More efficient printing through elimination of unnecessary colors.
- Cost reduction resulting from fewer printing plates.
- Elimination of special cover and paper stocks.
- Improved turnaround for "intelligence" products.
- Firm policy towards printing economy through establishment of panel.

Cons:

- Reduced quality for public relations material.
- Danger of an overall reduction in quality and appearance of intelligence products where color and presentation are critical; e.g., the President's Daily Brief, the SALT Monitor Report, and the President's Report.

Impact/Comments:

In general, the intent of the proposal is not to jeopardize the quality of the intelligence product. It is, rather, to eliminate some unnecessary niceties in administrative and public relations support material. Some specific examples include:

- a. Reducing the number of colors in public relations booklets from nine to four or five. (In 1980 22,000 copies were produced.)
- b. Combining the classification statement with title page information to eliminate individual warning statements for some 2,000 publications.

- c. Reaffirming the standard size for publications as 8" x 10 1/2" versus the growing trend to 8 1/2" x 11".
- d. Periodically reviewing publications to ensure that economy is maintained through effective use of color, paper stocks, and use of typesetting (for data compression) when appropriate.

The impact of all of this will produce positive results in terms of better printing management for the entire Agency and more effective utilization of resources for intelligence support rather than administrative.

Increase Use of Sea ShipmentsBackground:

Shipments from Agency depots are made in the least expensive transportation mode that is commensurate with the required delivery date imposed by the customer, location and cover of installation, and size of shipment. Military/commercial sea channels are generally the least costly methods of shipment; and, normally, heavy and bulky shipments are made via these modes, as are containerized shipments consisting of an accumulation of small items for the same destination. Currently, shipments of materiel in excess of 1,000 pounds or 100 cubic feet require customer justification. *by air*

Despite these efforts to hold down transportation costs, many large shipments are made by MAC or commercial air at the insistence of customers. A prime example is the Office of Communications (OC) SKYLINK systems [redacted] which OC insists cannot go by sea because of long delivery times and need for rapid upgrade of communications systems. Another example is the occasional shipment of large volumes of teletype paper to installations that have permitted stocks to become critically low.

We recommend that existing regulations be changed to require that customers pay for premium transportation costs for shipments in excess of 1,000 pounds or 100 cubic feet. Because of the budget cycle, this cannot commence until Fiscal Year 1984 in order to permit offices to provide for these costs.

Pros:

- Cost savings (one-quarter to one-third the cost of air shipments).

Cons:

- Slowest shipping mode.
- Risk of unacceptable delays at ports and customs and possibility of inadequate inland shipment facilities.
- Requirement for premium protective packaging.
- Greater susceptibility to damage, loss, and security compromise/tampering.
- Infrequency of vessels.
- Impracticality for relatively small parcels which tend to get lost/stolen.

Impact/Comment

Although the disadvantages are numerous, they can be more than offset by the savings resulting in shipping via sea channels. An example is the cost of shipping a SKYLINK system by sea at approximately \$8,000 as opposed to an air shipment costing \$25,000. With approximately 15 SKYLINKS to be shipped during each of the next two fiscal years, the savings that could be realized are readily apparent.

Diversion from air to sea will require concurrence and perhaps better long-range planning on the part of our major customers; i.e., OC, the Office of SIGINT Operations, and the Office of Technical Service. Previous efforts to get customers to plan ahead have not been fruitful. If they were required to absorb premium transportation costs, however, we would in all probability see a concerted effort in the area of planning so that extra costs could be avoided.

Eliminate Early Morning and Late Afternoon Shuttles

Background:

There are presently four shuttle buses that run between Agency buildings beginning at 0745 hours and terminating at 1800 hours. Elimination of these runs would save both salaries and fuel.

Pros:

- Annual savings of \$64,000 in salaries and overtime.
- Small amount of fuel savings.
- Less mileage on buses, thereby reducing maintenance and replacement costs.
- Elimination of the unofficial use of the shuttles to avoid transportation and parking charges.

Cons:

- Probable adverse impact on employee morale and efficiency.
- POV mileage claims for transportation to and from early morning and late afternoon meetings.

Impact/Comments:

The impact on employee morale and efficiency if this proposal were implemented is unknown; however, it would affect employees' flexibility in scheduling meetings and in attending training sessions at outlying buildings.

Close Executive Dining Room

Background:

The Executive Dining Room, located on the seventh floor of the Headquarters Building, provides luncheon and special reception facilities to Agency SIS officers. It provides a place where senior level executives can quickly eat their lunch and share time with their colleagues.

Pros:

- Eliminate ☐ positions at a salary cost of \$62,755.
- Utilize space for offices or other critical needs.

Cons:

- Eliminates a facility where senior executives can have lunch and securely discuss classified matters.
- Eliminates a facility to host Brookings, Mid-Career, and other senior course luncheons and receptions.
- Eliminates a facility to hold special receptions.

Impact/Comments:

It is felt that senior Agency executives would resist this proposal. Other, less private, areas such as the cafeterias would have to be used for luncheons and receptions. There would probably be less informal information exchange among Agency senior officials.

Limit New Furniture Issues and Procurement

Background:

Logistics Services Division (LSD) reduced their FY 81 furniture budget by \$398,000. There remains \$125,000 in the budget for replacement furniture. It is recommended that we continue to reduce funding for furniture expenditures in the coming years.

Pros:

- Reduce costs.
- Better utilization of existing furniture resources.
- Longer life cycle for furniture.

Cons:

- Inability to service customer requests for new furniture.
- Individual components would fund for new furniture requirements.

Impact/Comments:

This proposal will result in substantial savings over the coming years.

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Consolidate Agency Graphics Design Operations

Background:

There are at least nine graphics design facilities located in various components throughout the Agency. These facilities employ in excess of 33 people. They are used to create and produce briefing and training aids and graphics input for Agency publications. These facilities are becoming more heavily involved in computer graphics, which requires large capital investments for equipment. There has not been a recent study on the consolidation of graphics facilities; therefore, no specific statistics on potential savings are available.

Pros:

- Possible position savings through consolidation.
- Elimination of duplication of effort in the design and production of graphics.
- Better equipment utilization of expensive computer graphics equipment.
- Savings of capital investments for duplicate equipment to service multiple facilities.
- Floor space savings by consolidating nine facilities into one.
- Better control over the types and quality of graphics produced for Agency use.

Cons:

- Customer throughput requirements would have to be placed in priority order and serviced accordingly; i.e., less personal service.
- Separation of physical locations of Agency components would create initial difficulties in providing instant response to requester; e.g., NPIC and OTE at Chamber of Commerce Building.
- Logistical problems of moving proposed or finished art work between buildings as well as difficulties in connection with requester/artist interface.

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Impact/Comments:

The major impact would be the individual components' resistance to the consolidation effort. Additionally, during an initial phase of consolidation, there would be a disruption of service due to reorganization of physical space, cross-training of personnel, and the natural reluctance to change.

Closing the DCI Garage

Background:

The DCI garage area contains 16,860 square feet of floor space in the underground southeast corner of Headquarters Building. There is parking available for the DCI and senior-level (SIS-5 and above) Agency executives. There is a private DCI elevator from the garage to the DCI's office. The garage provides a private entrance for certain foreign and other officials.

Pros:

- Utilize the space for computer equipment, UPS facilities, map library storage, or other critical space needs.
- Eliminate a guard post.
- Save energy by closing a large outside door.

Cons:

- No privacy for DCI and DDO sensitive visitors.
- Senior officials lose a "perk" available to many other comparable Government officials.
- High cost of renovation.
- Loss of efficient area to evacuate seriously ill employees via ambulance.

Impact/Comments:

Another method for getting DCI and DDO sensitive visitors into the building would have to be developed or such meetings would have to be held at other locations. A number of recommended uses for the space will be presented to the Space Steering Committee at its next meeting. With respect to sensitive visitors, during the period 1 September 1980 to 31 January 1981, there was an average of 15 such visits each month. Additionally, an average of two ambulances per month use the garage.

Consolidation of Agency Micrographics Facilities

Background:

There are currently seven organizationally independent groups actively involved in micrographics management or production. Consolidation of these facilities would permit significant supply, space, equipment, and manpower savings. A 1977 study estimated annual savings in excess of \$244,000.

Pros:

- Reduce personnel.
- Reduce floor space requirements.
- Reduce annual operating cost.
- Promote better equipment utilization of expensive production equipment.
- Eliminate duplication of effort among the components involved.

Cons:

- Less timely production of some micrographics products.
- Sensitive operations-type material would have to be filmed by DDA employees.
- Individual components would have less control over their materials and micrographics production.
- Additional manpower requirements to wrap and log material to be sent to a central facility.

Impact/Comments:

There has not been an in-depth study of micrographics consolidation since 1977. It is recommended that the proposal again be discussed with the other Directorates and the Comptroller and their cooperation be solicited to bring the previous study up to date, at which time recommendations would be made by the DDA on consolidation.

Copier Management Consolidation

Background:

This is an area conducive to broad savings and more efficient management. Under our present system of budgeting, each component has budgetary and approval authority for their copy machines. The Printing and Photography Division, OL, reviews their requests from a technical standpoint as to the suitability of particular copy machines to do the job as specified by the component. (This does not mean that they will procure the equipment recommended.) This, in turn, has led to the procurement of a wide variety of copiers with little or no centralization of component requirements. While we have been successful on several fronts, such as demonstrating substantial savings can be achieved through purchase as opposed to lease of certain machines, establishing and maintaining a record of every machine and its utilization, and providing a report to each component, we believe there is still room for savings and more effective management.

Pros:

- Significant reduction in the number of copier/duplicator contracts.
- Reduction in copier/duplicator rental costs.
- Some reduction in the number of individual copier/duplicators.
- Streamlined bill payment procedures.
- More precise alignment of copying equipment requirements.
- Reduction in copier supply inventories.
- Improved maintenance and repair service.
- Improved liaison between the managing component and user.

Cons:

- Perceived loss of control by users.
- Consolidation of funding would create a large budget item that would be subject to OMB cuts.

Impact/Comments:

OL has assigned a Presidential Intern to study copier consolidation and make recommendations for improvements. We believe the results of this study will be more acceptable since he has no preconceived ideas or positions on the matter and his bona fides are above question. Upon receipt of his study and recommendations, we believe agreement must be obtained from the Comptroller and other Directorates to implement the concept of Budget Centralization and Standardization.

Consolidation of Multiple Office Equipment Procurement
Requirements Through Equipment Standardization

Background:

During the past year, Procurement Division, OL, has reduced the number of word processing service contracts from 158 to 74 and the number of copier service contracts from 178 to 88. Further cost reductions are possible through equipment standardization. It is estimated that standardization would reduce the annual equipment cost by 10 to 25 percent. Additionally, personnel resources would be saved because of the reduced number of contracts to administer and manage.

Pros:

- Reduced operating cost.
- Reduced personnel requirements for administering and managing the equipment contracts.
- Equipment compatibility.
- Reduced training requirements for operators.
- Reduced supply problems.
- Better service response.

Cons:

- User acceptance.
- User requirements for equipment other than that which is available as an Agency standard.

Impact/Comments:

Because of the estimated savings associated with equipment standardization, Procurement Division is continuing with this program to reduce service contracts. Implementation of the plan will require approval of the Directorates and the Controller to either centralize applicable budget amounts or provide for their reprogramming to OL. Also necessary is copier management authority for P&PD/OL to establish copier standardization and ODP determination of word processor standards.

Capital Expenditures for Printing Plant Automation

Background:

The Office of Logistics Printing and Photography Division (OL/P&PD) has requested \$1.9 million in the FY 83 Program Call for equipment upgrade and automation. These expenditures are necessary to replace obsolete equipment and upgrade existing equipment in order to meet customer demands, improve production throughput time, and automate existing labor-intensive operations. Through automation, P&PD, over the past five years, has been able to reduce its personnel strength by seven positions while at the same time doubling its production output. The capital investment listed above will allow this streamlining effort to continue.

Pros:

- Eliminate a minimum of two positions.
- Improve production throughput time.
- Reduce annual supply expenditures in excess of \$80,000.
- Reduce manpower requirements for maintenance on obsolete equipment.
- Eliminate outside contract for film processing support (\$15,000 per year).

Cons:

- Large dollar investment in equipment.

Impact/Comments:

P&PD's equipment obsolescence is a direct result of dwindling resources over the past five budget years. A one-time outlay of this magnitude will allow P&PD to streamline its operation, reduce personnel, and cut operating cost while at the same time improving production throughput and meeting customer demands.

Suggestions for More Streamlined/More Effective Operations
Action Plans

1. Close the DCI Garage

- Discussions at the ^{Wed. March 18 (1530)} ~~next~~ Space Steering Committee meeting on recommended uses of the facility

~~Secret~~

16 JAN 1981

Category #1:

SECOND Program - the automation of the Industrial Security Approval Record Index. Efficiencies are realized by achieving increased capabilities not dependent on a manual system.

Category #2

Establish a microfiche file index of the Industrial Facility Record Folders. Would reduce hard copy holdings by 75%, gain additional work space, and provide greater safety of the records against contingencies.



FUTURE EFFICIENCIES WITHOUT ANY ADVERSE EFFECT ON SERVICE
OR IMPROVEMENT OF SERVICE

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1. Use civilian guards
2. Close Center for Study of Intelligence
3. Collect interest on bank accounts
4. Use of Government Travel Requests by people under cover
5. Eliminate classification review (EO 12065)
6. Eliminate Freedom of Information Act
7. More use of conference calls
8. All-weather tires vice snow tires
9. Establish Regional Support Activity
10. Consolidate all transportation in OL (OSG, OSO, OD&E, etc.)
11. Use office personnel for some ADP programming and maintenance ("do your own")
12. Decentralize recruiting and pay "headhunters" and employee bonuses
13. More up-front planning - reinitiate support annexes
14. Reduce or eliminate most unclassified publications - FBIS, Heads of State, etc.
15. Make customers of printed products outside the Intelligence Community pay for publications
16. Make FBIS and JPRS self-sustaining
17. Cut down on conferences
18. Contract out secretarial services for unclassified work

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*I don't think this is legal -
the Gov't is not in business TO
MAKE MONEY AND EVEN IF WE
DID I DON'T THINK WE
COULD SPEND IT BECAUSE
of the APPROPRIATION PROCESS.*

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FUTURE EFFICIENCIES THROUGH CENTRALIZATION OR
ELIMINATION OF DUPLICATION

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1. Merge DDO centers

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2. Collocation of C-4 and DDO center

3. Consolidate micrographics

4. Consolidate copier management

5. Agency-wide equipment standardization

6. Consolidation of graphics

7. Publications review committee

8. Use contract guards and "blue blazers" in Metropolitan Washington Area

9. *TV and audio tape facilities*

FUTURE EFFICIENCIES THROUGH CAPITAL INVESTMENT

1. TEMPEST test equipment

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3. Maximum buy of cryptographic equipment

4. Acceleration of installation of secure voice switches

5. Extension of overseas tours

6. Front-end investment in SKYLINK

7. OC Recapitalization

8. New Building at Headquarters

9. Logistics Integrated Management System (LIMS)

10. New printing and material handling equipment

11. Utility reliability improvements

12. Augmentation of covert action support mechanism

13. Additional classrooms at Chamber of Commerce Building, Headquarters, STAT

14. New automated payroll and information management system

15. Reduction of manual operations through data processing:

LIMS (Logistics Integrated Management System)

ASAPS (Agency Standard Automated Property System)

FARS (Federal Automated Requisitioning System)

STA (Single Transportation Allotment)

16. More diesel vehicles

17. Improved energy efficiency of existing buildings

FUTURE EFFICIENCIES WITH ADVERSE EFFECT ON SERVICE

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1. Reduce training time (OC)
2. Reduce training Agency-wide
3. Limit movement of secure or black telephones
4. Reduce cable dissemination file
5. Eliminate handwritten corrections, additions, deletions on cables and telepouches
6. Reduce paper reports through ODP
7. Eliminate guard services at garage and tunnel
8. Close DCI garage
9. Close Executive Dining Room
10. Eliminate Media Highlights
11. Greater support from cover agencies
12. Increase sea shipments
13. Eliminate early-morning and afternoon shuttles
14. Eliminate chauffeurs
15. Accept security clearances from other agencies
16. Eliminate pneumatic tube system
17. Combine office space for OP OS domestically
18. Put Genographics in P&PD
19. Print cables ten lines per inch

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25X1
25X1

